

Retail Water Distribution Project Review Workshop

A Draft Report

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By

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ACRONYMS

BLM	Bushbuckridge Local Municipality
BWB	Bushbuckridge Water Board
CEO	Chief Executive Officer
CMIP	Consolidated Municipal Infrastructure Program
CRS	Cost Recovery Systems
DC	District Council
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EC	Executive Committee
EDM	Eastern District Municipality
EHP	Environmental Health Project
IDP	Institutional Development Project
LIDS	Local Institutional Development Support Unit, a unit of DWAF/National
MOC	Memorandum of Cooperation
MOU	Memorandum of Understanding
NBWF	Nzikasi-Bush Water Forum
NGO	Non Governmental Organization
NPLGA	Northern Province Local Government Association (Provincial branch of SALGA)
O&M	Operations and Maintenance
RDC	Reconstruction and Development Committee
RDP	Reconstruction and Development Program
RWDP	Retail Water Distribution Project
SALGA	South African Local Government Association
TLC	Transitional Local Council
TRC	Transitional Representative Council
USAID	United States Agency for International Development
WSA	Water Support Authority
WSP	Water Service Provider

1.0 INTRODUCTION

In September 2000 a contract was awarded to Chemonics International Inc. in association with Argil Ltd., Institute for Public-Private Partnership, Manyaka-Greiling-Meiring Ltd. and ValuAdd, (this group is hereafter referred to as the “Implementing Agent”) to implement the Retail Water Distribution Project (RWDP). This followed a 20-month interim project phase also supported by USAID during which a locally-led team of consultants sought to assist local government understand the roles and responsibilities of Water Service Authorities (WSAs), to make informed decisions about the form and structure of Water Service Providers (WSPs), how to improve services, initiate the process of payment for service, and increase community awareness about the need to pay for water services. The terms of reference for the Interim Project were developed by EHP in 1998¹ to initiate the process of preparing local authorities to assume responsibilities (as Water Service Authorities) for transfer of management and operation responsibility for retail water services and management of designated WSPs in accordance with the Water Services Act 108 of 1997.

Following the contract award, EHP was asked to facilitate a Project start-up workshop designed to 1) review and clarify project history and design for the new agent, 2) help stakeholders achieve a clear idea of the structure and process for project management, 3) provide stakeholders understand what they expect of each other for working relationships, 4) help define those areas that will require particular attention during implementation of the project, and 5) ensure that the new agent is given best advice for development of the initial project work plan. This workshop took place in mid-October 2000. The workshop report, Retail Water Distribution Project Hand-over Workshop Report, details the workshop agenda, structure, content, findings, conclusions, and recommendations.

Now as the Project has developed and initiated a work plan and completed 10 months of Project activities, USAID asked EHP to provide further assistance to the Retail Water Distribution Project by conducting a Project monitoring/review exercise designed to assist the USAID Mission, the Project Steering Committee, and key project participants in reviewing the results of project activity to date through a workshop process. The primary outcome is to determine, through input from project participants, Project successes and continuing issues, and to advise on modifications or enhancement to project strategy, and specifically work plan development for the second year of the project. The full Scope of Work can be found in Appendix J.

EHP provided the services of Dan Edwards (of Training Resources Group) for workshop facilitation and Jonathan Hodgkin (of ARD Inc.) for technical inputs. The consultant team arrived in South Africa on August 1, 2001 and traveled to the project area. Following six days of participant interviews and workshop preparation, the monitoring/review workshop was held on August 10-11, 2001 at the Sanbonnani Hotel. This workshop report, prepared in the two days following the workshop, documents this activity.

¹ A Water Distribution Capacity Building Project for the Bushbuckridge Water Board Service Area: Status Report and Startup Workplan, Hodgkin Jonathan, Dan Edwards, John H. Austin, USAID/EHP, October 1998

2.0 BACKGROUND

This is the most recent in a series of USAID-supported initiatives designed to assist in the establishment of sustainable water service provision within the Bushbuckridge Water Board (BWB) service area. The service area includes the area of what is now the Bushbuckridge Local Municipality (Eastern District Municipality, Northern Province) and part of Mbombela Local Municipality (Ehlanzeni District Municipality, Mpumalanga Province). The Department of Water Affairs (DWA) is currently providing support to the Bushbuckridge Water Board and to the Retail Water Distribution Project as part of a bi-lateral agreement between DWA and USAID. The services provided to the Retail Water Distribution Project (RWDP) by the implementing agent, Chemonics International Inc., is administered through a USAID-direct contract.

The Hand-Over Workshop described briefly in Section 1, provided the opportunity for the Implementing Agent's technical assistance team to work with the interim project assistance team, local government officials, and other local stakeholders in a collaborative environment conducive to team building and sharing of information and knowledge. Following the Hand-Over Workshop, the Technical Assistance Team (TAT) developed a work plan and initiated activities. All stakeholders who attended the workshop knew that the local government demarcation process and local government elections planned for November 2000 would likely influence and slow Project activities, particularly during the first year. These events have, in fact, have come to shape and define nearly all project activities to date in important ways which limited the scope of initial activities but may now allow the Project to move forward with more certainty than in the past. The important features and outcomes of the demarcation and electoral process were:

- The establishment of a new Eastern District Municipality to include Bushbuckridge Local Municipality and Maruleng (formerly Drakensburg Local Municipality),
- A one month delay in the elections from November to December 2000 which has resulted in subsequent delays in certain Project activities,
- Confusion regarding the names of some councilors proportionally elected to the Eastern District Municipality,
- The election of many new directly and proportionally elected councilors to serve in local government,
- Increased clarity about the roles and decision-making authority of local government in the provision of services through the abolishment of transitional status for local government structures.

It is important to note that although the elections bring a certain clarity that was lacking in the past, the new local government structures, the Eastern District Municipality and the Bushbuckridge Local Municipality especially, are still finding their way and lack critical capacity to exercise the roles and responsibilities now placed in their hands.

The Retail Water Distribution Project, which began in October 2000, was designed to improve the health and well-being of area residents by establishing sustainable water supply service capacity and organizations in the Project area. The Project will enable WSAs and WSPs improve access to water services while improving local capacity for sustainable and participatory management, and ultimately improving health status, contributing to environment management, and promoting conditions for economic growth. The objectives of the Project are to assist local government efforts to act as responsible WSAs and to support their initiatives to respond to the Water Services Act by supporting the establishment of a WSP (or WSPs) with linkages to existing community-based organizations engaged in water service provision. This requires that the Project:

- Assist local government in developing policies and procedures for addressing their new role as water service authorities,
- Assist local government in implementing decisions made regarding water service provision, and
- Support the work of existing water service providers and/or assist in establishing new water service providers through technical assistance and training.

The Project approach is to provide this assistance in two project phases: 1) Preparation for Facilities Transfer and 2) Transfer, Operational & Performance Improvement.

Preparation for facilities transfer and Transfer, operational and Performance improvement. The Project is structured to provide assistance in the following six major areas.

- Policy, Planning and the Transfer Process,
- Management Systems Development
- Customer Outreach and Education,
- Customer Service, Billing and Collection,
- Operation and Maintenance, and
- Institutional Learning and Staff Development.

3.0 WORKSHOP PREPARATION

Workshop preparation included interviews with local stakeholders and members of the technical assistance team, review of Project documents, and discussion with RWDP staff. The information collected shaped the Review Workshop, helping ensure its relevance to the current status of the Project as well as adhere to the consultant's terms of reference.

3.1 Interviews

As part of the consultant/facilitator process for 1) re-engaging in the process that all of you are involved with, 2) developing an understanding of current status of events as you all see them, and 3) designing a workshop that meets current needs. The team conducted a series of interviews. These interviews were guided by a set of open-ended questions designed to elicit thoughts about the project, its activities, and direction. Our line of questioning took as a starting point the water sector workshop. The questions were:

- **Workshop:** Did you attend the recent Project workshop? If so, was the workshop valuable to you and why? What was not included that should have been? If not, what have you heard from your colleagues about the workshops value to them?
- **Vision:** What is your vision for the end of the Project? Who do you see as Water Service Providers? What do hope the Project has helped you accomplish?
- **Activities:** What is the Project doing now? Do you think these activities are on target? Are there other things the Project should be focusing on now? If so, what are these and why?
- **Roles:** What do you see as your role, the role of your organization, in establishing retail water services? What assumptions, orientation, issues are important from your perspective?
- **Other:** What else do you believe we ought to know that we haven't covered already? What are your thoughts about what we should be sure to address at during the Project Review Workshop?

Interviews were conducted with 18 individuals over five days. To complete the interviews, visits were made to the project office in Bushbuckridge, the Bushbuckridge Water office, and to Eastern District Municipality offices in Thulamahashe. Members of the team met with district and local municipal councilors and district municipality staff, and DWAF area and district officials. Telephone interviews were conducted with USAID, DWAF National staff and members of the Project's technical assistance team. For a full list of those interviewed, see Appendix D.

3.2 Interview Results

The interview process provided a valuable way to gain the insight of key project stakeholders. The interview question responses can be summarized as follows:

- **The water sector workshop was very valuable to all parties**, coming at a time when issues related to water services were foremost in peoples minds and help in formulating a way forward needed

- **Water service provision would be in the hands of municipalities in the future** but the structure and management of water service provision were unclear to most. It appears that most anticipate one WSP with responsibility for the district perhaps with sub-offices based on bulk scheme or ward. For many, the relationship of the WSP to existing structures is different.
- **The current RWDP activities are on target.** As the water sector workshop outlined a set of actions that the RWDP could assist with and the Project has begun to act on the agenda laid out there, this response is not too surprising. Even so, it is gratifying to know that this is true.
- **The underlying goal of establishing water supply services on a cost recovery is shared.** However, the perceived roles were different
- **Most felt that our interview process covered the main topics.** Some people seem particularly focused on specific topics which, although important, are beyond the scope of this exercise (tariffs, DWAF staff secondment and transfer, bulk purchase agreements, etc.) . However, several valuable suggestions of issues to address during the workshop were made. We have made efforts to include these. The suggestions included:
 - Help everyone see that we need to work together openly and transparently to improve water services.
 - Reconfirm that the RWDP is a limited term project designed to assist local government.
 - Highlight that some confusions may exist as some people involved in this process play multiple roles as district and local councilors, and or water board members.

Specific responses to our interview questions helped frame the workshop design. Selected comments to interview questions include the following

What should the project review workshop accomplish?

- If only brief, explain what the RDP has to offer.
- A clear picture of where we need to go-- Help make clear to councilors and decision makers what the need to make decisions about.
- We need a unified vision of what this is all about. What will a WSP be able to do?
- The type of WSP appropriate to meeting all these various needs.
- A common vision.
- An agreed overall strategy.
- The ground rules for working together.
- Bring out the assumptions people are making about transfer.
- Keep the focus on the question: “how can we get water to the people now; then later, in the future how can we get water to the people.
- Continue the springboard for bilateral discussions.
- Find out from councilors how they want the RDP to help them—make it clear the project is theirs.
- Inform us about what a WSP does.

What should the project be doing, continue doing?

- Capacity building for community-based organizations.
- Assist with revenue—set up a database for consumers, especially larger commercial accounts. Inventory.

- Training for operations and maintenance and for learning about a service attitude for the DWAF staff that will be seconded.
- Assist in setting up contracts related to local O&M, collections.
- Water services development plan.
- Assist with bylaws.
- Assist in negotiations, bilateral discussions in order to help us implement the vision of the Eastern District Municipality (EDM).
- Help to facilitate DWAF's secondment process (at higher levels; e.g. getting a water services manager for EDM).
- Set up regular briefings with executive mayors and committees of councils about project progress; for example the results of workshops should be communicated.

Discussions with Robert Mbwana, the RWDP Chief of Party, provided confirmation of the interview findings and the perceptions of the Consultants.

3.3 Summary of Project Progress

Project progress has clearly been impacted by the conclusion of the demarkation process, the local elections of December 2000, and the subsequent establishment of new local government structures within the Project area. Specific activities and accomplishments related to the RWDP are described below.

Elections and Demarcation, Project Structure are Clarified

Final demarcation and subsequent elections are the defining element for the project with few councilors returned to office following the elections and none of the previous water desk councilors reelected and named to the water desk post. Therefore, the initial four project months of the Project became a settling in period while the project awaited the establishment and the attention of the newly elected councilors and municipal counterparts. The project counterpart structure has been clarified. The project now relates to two District Municipalities and their associated Water Service Authorities: The Eastern District Municipality, Northern Province (EDM), and the Ehlanzeni District Municipality, Mpumalanga Province (EDM-2). Primary Project emphasis and focus is on the EDM because the relative number of inhabitants in this service area of the Bushbuckridge Water Board is much larger and the recent history of sector investment, technical assistance, and operational support has been more limited. Within this transition period lasting from Project start-up to mid-2001, the most important accomplishment of the Project has been the establishment of relationships and a building trust with key counterparts at the political level. The Project now enjoys good relations with its WSA counterparts, the elected and appointed officials of the district municipalities, principally Eastern District Municipality. Other accomplishments include:

- ***A Project Office is established and staffed***
Project offices have been set and equipped at the Protea Center in the town of Bushbuckridge (Protea Center #11, Bushbuckridge, Tel. 013 799 1707/1708, fax 799 1713 rmbwana@rdwp.co.za). Modern equipment has been installed with on-line service, copy machine, conference space, offices, and a project vehicle. The project is staffed by two full time technical staff supported a small administrative and support staff. The establishment of a separate from Bushbuckridge Water has helped identify the project as separate and different from the Bushbuckridge Water and the previous interim project
- ***A Project Steering Committee is formed and meeting regularly***
A thirteen-person project steering committee has been set up and includes district and local municipality councilors, appointed members including municipal managers (acting in all cases so

far), DWAF at the local and regional levels, and observers/technical support including DWAF national and USAID representatives. A list of current members is included in Appendix C. The steering committee established in mid-May and began meeting on a bi-weekly basis. The last two meetings have been postponed by the Water Sector Workshop and the current Project Review Workshop

- ***An Initial Work Plan and a Preliminary Baseline Assessment Report are complete***

The project team produced the First Annual Workplan on November 15, 2000 following on the input from the Project Handover Workshop conducted by EHP in October, 2000. Many of the proposed technical and policy action items in the plan were delayed after the baseline needs assessment due to lack of counterparts and a counterpart structure. The baseline study was conducted from February through May 2001 and produced as a provisional document pending further structuring. Most of the technical implementation items are just now beginning in the July-August time frame with major activities planned in the near future as a consequence of action agreements made during the project sponsored Water Sector Workshop in July, 2001.

- ***A Water Sector Workshop was requested and conducted***

The project steering committee requested a water sector workshop following on the expressed desire of the Eastern District Municipality to clarify what was required of Water Service Authorities and Water Service Providers. The municipality had received a proposal from the Bushbuckridge Water Board to become the WSP for the area and wanted to be able to make an informed decision. The workshop was designed and facilitated by the project staff (and received high marks for process). The results provided information on the Water Services Act of 1997, the Municipal Systems Act of 2000, and the Municipal Structures Act of 1998. This served to orient all parties about roles and responsibilities. Important additional positive results reported by those interviewed were:

- Discussion among key stake holders has begun
- Key decision makers were present and the opportunity to interact with project participants and the project staff was a positive step
- A beginning action plan was set up to move on setting up bylaws (leading to cost recovery and structuring the WSA and WP), and transfer of assets from DWAF to the EDM.

3.2 Workshop Design and Methodology

Interview data were reviewed and summarized into a series of findings and questions presented below. From this, the team developed a workshop design. The workshop design outlined and explored four major areas. These included

1. A discussion of interview results and project accomplishments to provide background and context for the workshop;
2. An exploration of visions for future water service provision as a way to help focus on the task of deciding on and eventual creation of water service provision with existing water sector agencies including WSAs, the Water Board, and DWAF;
3. A background session on dialogue techniques that will be necessary for the evolution of water service provision in the project area followed by a learning session where a dialogue session is completed; and
4. A review of project priorities, taking into consideration the Action Plan developed at the Water Sector Workshop, as a way to assist the annual project work planning process.

These areas were explored in sessions as defined and reported on in Chapter 6, below.

4.0 WORKSHOP GOALS AND AGENDA

4.1 Workshop Goals

The following goals were derived for the workshop and shared with workshop participants. The goals were based on the stakeholder interviews and the needs assessed.

Workshop Goals

- Clarify the vision of the larger picture: what the end result will be on setting up water service provision?
 - Clarify, as a point of departure, what beginning structure, or responsible body, will be used in which to solve the many administrative and technical problems related to water service provision.
- Provide a methodology and build capacity for dialogue so that the key stakeholders have a way to discuss and resolve a series of issues related to water services.
 - Provide opportunity to understand and recognize the interests and needs of key stakeholders related to provision of retail water services.
 - Develop a means for informed and positive discussion.
- Provide information about the choices that need to be made for the project's strategy and the role that the Retail Development Project can play to assist in accomplishing that strategy.
 - Verify that the priorities set at the July Water Sector Workshop continue to be appropriate.

4.2 Workshop Agenda

The following agenda was developed to guide the workshop:

Day 1

9:00am	Opening Welcome
	The Honorable Executive Mayor of Eastern District Municipality, Caswell Maluleke
9:20	Interviews and status of project activities
10:00	Goals and Schedule
10:30	Break
10:50	Vision Exercise
12:30	Lunch Break
1:30pm	Dialogue Exercise- Part 1
3:15	Break
3: 35	Dialogue Exercise- Part 2
	3:50 Selecting Norms for this dialogue session
	4:10 Conduct a Dialogue Session

5:45 End Day One

Day 2

8:30am	Open Day 2
8:45	Strategy Exercise
9:15	Technical Group Tasks
10:15	Break
10:30	Group Reports
11:15	Verify the Action Plan and Provide Information for Annual Project Planning
11:30	RWDP Technical Team outlines assistance that can be offered
12:30pm	Evaluation and Closure
1:00	Lunch
2:00	Departure

As the workshop developed, certain alterations to the schedule were made to take advantage of available time most effectively and enhance opportunities for discussion and learning.

5.0 WORKSHOP SESSIONS

Workshop sessions were designed to address workshop goals. Seven session sets including opening welcome, interviews and project status, goals and schedule, vision for the future, dialogue (parts 1 and 2), and strategy were conducted. These are reported under the headings below.

5.1 *Opening Welcome*

The Honorable Executive mayor of Eastern District Municipality, Northern Province, Caswell Maluleke formally opened the workshop.

Consultant facilitators introduced themselves and asked participants to introduce themselves. Workshops: Participants are asked how many were present at the project start-up workshop with a show of hands. Few raise their hands. It was noted that of those that raised their hands, only one is a councilor (Patience Nyakane). This demonstrated how much stakeholder representation has changed as a result of the elections in December of 2000.

5.2 *Interviews and Current Status*

The facilitator/consultants began by acknowledging that many of the participants had attended the Water Sector Workshop held at the Protea Hotel, Hazyview on July 20-21, 2001. This was followed by presentations that discussed the interview process and its findings as outlined in Chapter 3 and a brief discussion of the current status of the RWDP Project (also as presented in Chapter 3).

The facilitator/consultants then stated their findings that key issues related to retail water sector remain. These included:

- How will municipalities take responsibility for water services?
- What role will local municipalities play?
- What terms and agreements will govern the relationships between WSAs and WSPs and between WSAs/WSPs and the Water Board?
- How will transfer be implemented?

A whole range of other technical and administrative issues also remain, including such items as: what will future tariffs be?, how will people be charged for water?, who will pay for free basic water?, how will unauthorized connections be regularized?, etc. However, several key issues have been resolved and these lay the groundwork and a starting point for moving forward. The issues resolved are:

- **District municipalities are clearly Water Service Authorities with all of the rights and obligations as outlined in the Water Services Act**
- **The Bushbuckridge Water Board is a statutory body that exists outside of municipal structures and has a legally recognized role to play in provision of bulk water services.**
- **DWAF is currently the Water Service Provider within the Project area.**

Agreement on these points provided a basis for moving forward

5.3 Goals and Schedule

Workshop Goals

During this session, the workshop goals as stated in Chapter 4 were presented and discussed. The workshop schedule as given in Chapter 4 was also presented and accepted. The workshop participants then developed a set of norms for the workshop. These included:

- Respect each other
- Respect the inputs of others
- Freely interact
- Look for consensus
- Encourage openness
- Encourage wide participation
- Switch off cell phones
- Maintain an orientation toward the future
- Punctuality
- Work through the facilitators

5.4 Vision for the Future

Purpose of the session:

- Clarify the vision of the larger picture: what the end result will be on setting up water service provision?
- Clarify, as a point of departure, what beginning structure, or responsible body, will be used in which to solve the many administrative issues facing councils.

This session was conducted in two parts:

Part 1: Scope and scale of water service provision

The purpose of this part of the session was to clarify the bigger picture:

- What will the end result Water Service Provider look like and be able to do?
- What kind of responsible body will have the technical and managerial skills to solve the many problems?

Table exercise

List the major tasks and activities of a water service provider and its staff.

Results:

- Operate and maintain water distribution.
- Develop the infrastructure for reticulation.
- Provide water to consumers.
- Establish sources (this was questioned in light of DWAF's mandated responsibilities, and was changed to develop sources.
- Provide customer services.

- Read meters and collect tariffs.
- Develop and maintain a database of consumers.
- Conduct proper billing.
- Develop cost recovery plans.
- Manage budgets, plan and control.
- Enter into contracts and formal agreements.
- Involve stakeholders (customer service).
- Determine tariffs.
- Assist community based organizations.
- Ensure payment for bulk water supplies.

Possible Waster Service Provider Structure:

The illustrative structure for a water service provider that was first suggested in March 1998 was revisited and discussed to see if it provided a valid starting point for WSP structure. That structure is shown in Appendix E.

The discussion of water service provider structure highlighted that at least the customer service/ billing and collection aspects of service provision will be new and are not part of the DWAF structure for operation and maintenance. It was also pointed out that planning and capital development were not included in the illustrative structure but that these functions might be part of the WSA or even DWAF in the future.

The group then considered the size, scope, and scale of a water service provider. The groups concluded that:

- Number of connections to service could be roughly 100,000
- Number of staff could be about 500 based on international norms and reasonable efficiency but might be more.
- Annual operating budget will be something on the order of 15,000,000 to 20,000,000 Rand not including purchase of bulk water or capital investment

Part 2: The Vision exercise

Assume : Appropriate WSPs are in place and water is provided as best as possible

Task: What is your vision of the relationships and how they should be structured within the framework of the existing Institutions including District Municipal Council, Local Municipal Council, Water Board, and DWAF? (30 minutes was provided for this exercise).

Results

Group 1: Local Municipalities

- District Municipalities are the Water Service Authorities for the area. Their responsibilities include tariff setting, by-laws, regulation of the sector, capital investment, sanitation policy, etc.
- Local Municipalities act as Water Service Providers, either with in-house staff or out-sourced whatever makes sense with customers paying the water service providers for water in excess of the “free” basic water.
- Water Board responsible for bulk water provision and development of water supplies
- DWAF responsible for ensuring water services and fund the “free” basic water

Group 2: District Municipalities

- District municipalities should enter into contracts with the Water Board and local municipalities for provision of services
- Local Municipalities should monitor services, manage customer relations, and implement the tariff policy (assume this means collect payment)
- Water Board should provide bulk water under contract
- DWAF should monitor national water supply policies

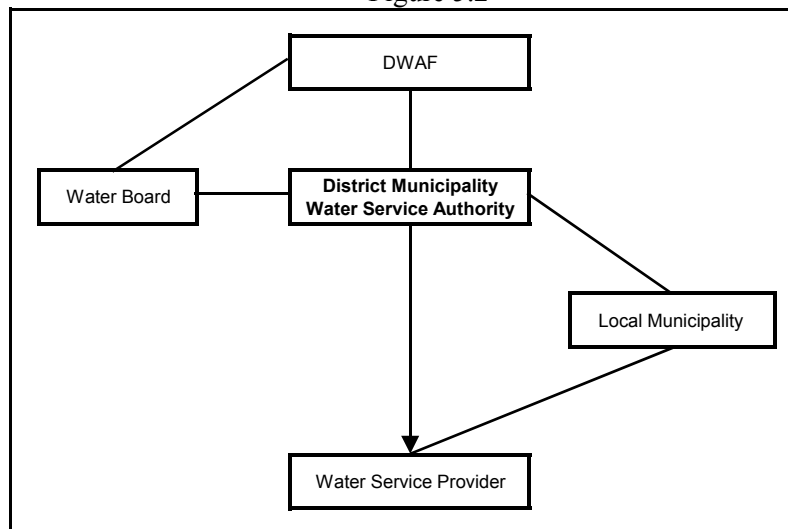
Group 3: Department of Water Affairs and Forestry (DWAF)

- As Water Service Authorities set up a district framework for providing water services
- Local Municipalities will implement the framework as developed by the District (assume this means act as the Water Service Provider and collect tariffs)
- Water Board will provide water under contract
- DWAF will phase-out of direct provision of water supply services and serve as a regulatory and policy agency.

Group 4: Bushbuckridge Water Board explained their vision graphically as shown in figure 5.2:

- As Water Service Authorities have contractual relationships to the Water Board, a regulatory relationship to DWAF, a regulatory/contract oversight relationship to the Water Service Provider, and a representational/communications relationship to local municipalities
- Local Municipalities have a representational/communications relationship to district municipalities and a monitoring relationship to the Water Service Provider
- Water Board has a contractual relationship to district municipalities/water service authorities to provide water supply and a source contract with DWAF
- DWAF has a source contract with the Water Board and a regulatory relationship to district municipalities/Water Service Authorities

Figure 5.2



Group 6: Retail Water Distribution Project/donors

- District Municipalities, as the Water Service Authority, will contract with a Water Service Provider to deliver water to households
- Local Municipalities have no defined role
- Water Board will be under contract to the Water Service Authority to provide water

- DWAF will be a regulatory body and have a role in river basin management and sell water to the Water Board

5.5 Dialogue Exercise: Part I

The purpose of Dialogue is to:

- Provide the opportunity to understand the interests and needs of key stakeholders
- Develop a meaning for informed and positive discussion

The following is an abbreviated form of the dialogue hand-out which is included in Appendix G. Dialogue is:

- Made up of the Greek words Dia which means “understand by means of” and Logue which means “word”;
- A special way to seek truth and communicate;
- A special way to listen beyond words;
- A way to understand the meaning, heart, and soul of the message of others; and
- A way to truly see what others bring to the communication.

A dialogue session is:

- Not a “normal” meeting discussion or conversation;
- Is a special time set aside with special rules;
- Is a session where it is not necessary to have a chairperson managing;
- Is a time when all can speak as needed; and
- Is a time when listening and “hearing” is key.

A dialogue session is different than a debate or discussion in the following ways:

Dialogue is characterized by:	Debate/discussion is characterized by:
Seeing the whole among the parts	Breaking down the whole into parts and dwell there
Seeing the connection among the parts	Seeing the differences among the parts
Exploring assumptions	Justifying and defending positions
Learning, imagining, exploring	Persuading, selling, convincing
Creating a common meaning among many but allow individual realities to co-exist	Agreeing on one meaning from a limited point of view

The overall goal of a dialogue is to discover how we can develop a new/transcending reality among ourselves rather than accept the meaning and reality of one or a few.

Abbreviated Stakeholder Exercise:

There are individuals here who represent a number of institutions. These institutions and the individuals who represent them see the water supply provision from difference perspectives. These perspectives shape their vision for water supply provision in the area. The major institutions are:

- District municipalities
- Local Municipalities
- Department of Water Affairs
- Bushbuckridge Water
- Retail Water Distribution Project

The situation is further complicated by the fact that some individuals represent more than one of the institutions, depending on the task at hand. A quick analysis by the facilitators indicate that five or six of the workshop participants participate in one or more of the institutions listed. The Participant list provided in Appendix A highlights this fact.

The task was to divide into groups that you are affiliated with and answer the following questions:

- What interests or stake do you hold in the provision of water supply services?
- What pressures are driving your institution as regards retail water supply?

Result

District Municipalities

Interests:

- As Water Service Authorities, the district municipalities have interests in:
- Water service provision
 - Drafting by-laws
 - Formulating policy
 - Determining tariffs

Driving forces (Pressures and challenges)

- Election promises
- How to provide free basic water
- Capacity building
- Infrastructure development
- Determining institutional arrangements
- Contractual agreements
- Subsidies available
- Community mobilization and education

Local Municipalities

Interests:

- To provide water to the community at reasonable tariffs based on realistic needs as perceived by local municipality residents

Driving forces:

- The need for local municipalities to respond to constituents or councilors won't get re-elected
- The need for district municipalities, who control retail water resources, to enter negotiations with local municipalities
- The need for district municipalities to maintain an assertive position with DWAF

Bushbuckridge Water Board

Interests:

- Provide potable water services to institutions
- Water Board survival is linked to retail water

Pressures (driving forces at the retail level)

- Lack of knowledge of the water quantity demanded (needed for planning purposes)
- Lack of cost recovery at the retail level
- Lack of demand management (by-laws and equitable retail service)
- Prevailing tariffs
- Lack of formal relationships with WSAs and WSPs

Department of Water Affairs

Interests:

- To manage schemes for the benefit of municipalities
- Construction of infrastructure (job creation)
- Transfer of assets and personnel to WSAs and WSPs
- Form a transfer committee with all affected parties
- Provide a legislative and policy framework
- Bring resources (financial, human resources experience, physical infrastructure)
- Interpersonal relationships within the community
- Communications and better understanding with stakeholders (links to ESKOM, DEA, and others)
- Monitoring the quality of resources (sewage, groundwater, rivers, dams, etc.)

Retail Water Distribution Project Team:

Interests (Driving forces)

- Contractual Responsibility
- Desire to make a difference
- Desire to remain impartial

Pressures

- Lack of resources at municipalities
- Lack of commitment from DWAF regional
- Time constraints

Following the report-out by groups, a general discussion of common themes was held. The common themes that emerged as building blocks for common understanding and vision were:

- Desire to make a difference
- Desire to improve water services
- The need to relate to each other
- The need for formal relations (through contracts, Memoranda of Understanding, etc.)
- The need for capacity building

5.6 Dialogue Exercise: Part 2

Special rules are required for dialogue. The need for special rules and the fact that these must be chosen and agreed to by dialogue participants was discussed. Examples of such rules were provided in the hand-out (appendix G) and discussed by participants. Based on a combination of the table votes and individual votes, we selected as five rules for dialogue:

1. Listen and speak without judgement
2. Respect individual differences
3. Avoid cross-talk
4. Maintain a spirit of inquiry
5. Keep in mind the interests of the whole group

Following decisions about rules, chairs were set in a circle for the proactive dialogue session. The dialogue topic given was:

What do I and we need to do to make all of the interest represented here satisfied and come through with a successful result?

Results

The group, following a brief comment by each participant in the dialogue session, quickly turned to the issue of transfer. The dialogue session lasted about one and a half hours and at least half of the participants spoke up with something to say. All points of view were heard and the agreed upon rules were generally adhered to. The discussion was free ranging and eventually a common theme emerged, that the Eastern District Municipality should take a lead role in initiating discussions with DWAF/Northern Province related to establishing a mutually acceptable transfer process. The dialogue participants indicated the value of the dialogue process as presented and wished that DWAF staff more involved in the transfer process could have been present.

5.7 Strategy Exercise

Following general greetings for day two of the workshop, review of the days agenda, and a short discussion of the dialog session held the day before, the following question was posed without further discussion.

What major project tasks will require dialog to get the job done?

The strategy exercise began with a statement of purpose:

- to provide information about the choices need for defining and implementing the larger project strategy.

The session was prefaced by a review of the six task areas of the project and a presentation by the project team of their background, experience, and readiness to assist the WSA and WSP in preparing for and beginning the work of providing retail water supply services. The six task areas of the project are:

- Policy, planning, and transfer
- Management systems
- Customer outreach
- Customer service and billing
- Operation and maintenance
- Institutional Learning, management, and training

Task:

- Review the major tasks for the next year in each project task area
- Decide what are the most important things that need to be accomplished in the
 - Next three months
 - Next twelve months

Result:

Policy, planning, and transfer

3 months

- Appointment of a water services manager
- Memoranda of Cooperation² (MOC) between WSA and DWAF and between WSA and Bushbuckridge Water
- By-laws drafted

² The term Memorandum of Cooperation (MOC) was used to avoid the legal implications implicit in a formal memorandum of understanding (MOU). The MOC term was used to signify a collaborative understanding that will likely lead to a more formal MOU.

- Liaison and communications established with key stakeholders
Decisions made about options for WSPs

12 months

- All other items on the handout list (see Appendix H)

Cost Recovery

3 months

- Refine an asset inventory for the project area as will be required to determining current status, depreciation schedules, and insurance requirements deriving from damage and liability.
- Build a cost and revenue scenario taking into consideration DWAF operational costs and Water Board charges on the cost side and DWAF financial resources, treasury allocations on the revenue side to determine a short-fall that must be made up by collection of tariffs
- Complete by-laws, at least the sections dealing with tariffs and debtors

12 months

- Identify current customer billing systems that could be used as a basis for water billing such as ESKOM, Tribal Council roles, census enumerations, etc.
- Collect current tariffs from commercial and industrial establishments

Management Systems

3 months

- Outline draft agreements between WSAs and DWAF on the one hand and WSAs and Bushbuckridge Water on the other. This process will provide clarity to the issues that need to be resolved on all sides, result in reports on the obligations contained in agreements and form a basis for defining and prioritizing which management systems are needed.

12 months

- Establish priority management systems
- Agreements should be in place with management systems designed to ensure that terms and agreements can be monitored. Priority management systems should be defined.

Customer Outreach

3 months

- Conduct a Knowledge, Attitudes, and Practices (KAP) survey to assess current knowledge, attitudes, and practices regarding water and sanitation services (willingness to pay. Access, etc.)

12-months

- Develop a communications strategy for ensuring two-way communications between WSA/WSP level. This may include:
 - Municipal/WSP newsletter to update councilors, ward committees, and constituents on water and sanitation plans and projects,
 - Community meetings,
 - Establishment of customer service outlets,
 - Radio spots, etc.

Operation and maintenance

3 months

- Evaluate utilization of DWAF personnel and the need for additional skills
- Systems asset inventory completed for Bushbuckridge area and initiated for Maruleng and Mbombela
- Address fears and uncertainties in existing DWAF staff assigned to the area.

12 months

- Establish procurement/reaction time systems which can quickly respond to problems/needs
- Correct unauthorized connections on main lines
- Decide on the final division between bulk and retail infrastructure
- Define current operating expenses
- Develop an operational plan for Operation and maintenance
- Institute water testing programs

Institutional learning, training, and organizational development

3 months

- Complete a training needs assessment with the Municipalities defining who should be included in the assessment
- Design an in-house training approach (by in-house we mean on the job training and shorter workshop training)
- Develop a formal training program (out-sourced training) that focuses on legal and financial management, contracts and procurement, and communications skills for both council members and administrative staff.
- Complete team building exercises specifically for officials and councilors and Mayoral committees

12 months

- Implement training programs including mentoring, on-the job training programs in skills areas such as computers, operation and maintenance skills, and corporate skills (planning, operationalization , monitoring and evaluation)
- Establish performance mandates for water service provision (targets, quality, and quantity)
- Design contracts within the policy framework
- Learn about regulation and how it is implemented
- Improve organizational culture in several ways including organizational introspection, work ethics, and political commitment to policies and decisions
- Complete team building exercises for district/local municipality communications, senior management and staff of WSPs, and WSA/water sector institutions

6.0 EVALUATIONS, CONCLUSIONS, AND RECOMMENDATIONS

Conclusions reached by participants during the workshop, participants evaluations, EHP team conclusions, and final recommendations are include in this Section.

6.1 *Participant Workshop Conclusions*

At the conclusion of the workshop, participants were asked to what was the most important result of the workshop and what were the most important things that they learned. Their formal and informal responses are given below.

The most important results were that:

- The importance of the transfer process was recognized.
- Input to the project planning process was participatory.
- The action plan developed at the water sector workshop was confirmed.
- The group prioritized activities and provided a roadmap for action.
- The need for immediate cost recovery was highlighted.

The most important things learned were:

- The difference between debate and dialogue
- The importance of dialogue and its outcomes (implying the importance of working together for a shared result)
- Decisions taken at the workshop need to be taken to council for resolution
- The meaning of new terms (KAP and MOC)

6.2 Collective Workshop Conclusions

The following conclusions were suggested by workshop participants and stakeholders.

A firm basis for establishing municipally managed water services has been developed

The district municipalities have accepted their role as Water Service Authorities and are making the first steps in taking responsibility for managing provision of services. The Executive Mayor of Eastern District Municipality, has publicly stated his desire for the assistance that the Project can offer, with initial focus on establishing by-laws, development of the Water Service Development Plan, setting tariffs and charging for service, initiating transfer of assets and secondment of staff from DWAF, and making decision on the form and structure of a water service provider. All stakeholders appear to understanding of roles and responsibilities for the WSA and WSPs, to be willing to engage in dialogue, and to agree on major goals and tasks that need to be accomplished to transform and improve water services. The combination of the Water Services Workshop in July and the Project Review Workshop together has cemented the relationships needed for the Project to move into its major agenda: to prepare the Water Service Authorities within the Project area for assumption of responsibility for water supply and sanitation. This includes the establishment of bylaws, secondment of staff and transfer of resources. This basis includes a means for dialogue, basic agreement on major goals and tasks, understanding of roles and responsibilities for the WSA and WSPs among the primary project actors.

Initiating the transfer process for retail water services is a priority

The importance of initiating process of transferring responsibility for retail water assets and staff to Water Service Authorities was highlighted during the workshop. The dialog session focused almost exclusively on transfer issues. Workshop participants understand that final transfer will not take place for some time, but they want to becoming engaged in discussion and dialogue with DWAF staff who are in a position to participate and make decisions. A framework for dialog and action was proposed at the Water Sector Workshop. Eastern District Municipality and local municipalities in the District are anxious to begin a process designed to eventually allow the Water Service Authority to assume its responsibility for managing local water service provision.

Stakeholder input into the annual project work plan process was completed and appreciated

The July Water Sector Workshop established a short-term seven item “Agreed Action Plan” (see Appendix I) for moving the transformation of water services forward. The workshop also outlined how the Project will assist the Eastern District Municipality complete these actions. During this Review Workshop, the priority given these items was confirmed. During the Workshop’s Strategy Exercise participants explored short and medium term priorities as a first step in the annual work planning process. Workshop participants provided information and developed a set of priorities in the six task areas of the Project. The participation and buy-in of the project steering committee was particularly important. Participants expressed their thanks for the opportunity to have input into this planning process and their belief that this is indicative of a technical assistance approach that is sensitive to local needs.

6.3 General Conclusions

The following conclusions were drawn by the consultants/workshop facilitators from interviews, research, and participant responses at the Project Review Workshop.

The essential Project concept has been accepted by all major stakeholders

It is clear that both the project consultants and their counterparts have accepted and are acting on the premise that this is a capacity-building and institutional project with primary responsibility and ownership for project results residing in the people of the Busbuckridge area with the role of the project consultant acting as catalyst, mentor and technical support.

The project is well positioned for more rapid progress in the next year

The cumulative events of the past ten months and the recent dialogue about transfer of assets at the project review workshop lays a strong basis for accelerated and positive movement in the project. This conclusion is supported by the following facts:

- Project roles are clear,
- a beginning counterpart structure has been established at the project management level,
- information and plans are set for getting work done, the project team has established credibility and trusting working relationships,
- and immediate priority actions have been planned to engage on the issue of asset transfer from DWAF to the EDM.

Broad capacity building at the municipal level is needed

Although elections have clarified sector responsibilities, the continuing process of learning and building capacity within municipalities may limit how quickly Project progress can be made. The workshop highlighted the fact that although elected councilors are in place within a finalized local government structure, much remains to be done. Eastern District Municipality and Bushbuckridge Local Municipality are new structures without sufficient technical, administrative and management staff. Rules and procedures are not yet finalized and many councilors are not experienced in many of the details of governance including planning, budgeting, or policy development. Work in the water sector with assistance provided by the RWDP provides an opportunity for learning through struggle with these and other issues. This learning process may hinder Project progress at some points if broader local government capacity building is not initiated.

6.4 Final Recommendations

Recommendation 1: High level support for asset transfer and staff secondment is needed from DWAF Regional if the project is to succeed.

Project progress on asset transfer and staff secondment from DWAF will not progress unless the DWAF Regional Office in Pietersburg becomes engaged as a player and agrees on the terms and conditions for secondment and asset transfer. We recommend that the a dual effort be established:

- a) The Executive Mayor of Eastern District Municipality (EDM) with the Speaker of the Council should meet with the DWAF Regional Director and request participation from the corresponding officers responsible for asset transfer. The Project team should assist in this meeting. The outcome of the meeting should provide a beginning of the terms of a Memorandum of Understanding or Memorandum of Cooperation for establishing a transfer process.
- b) The Project sponsors at DWAF National (Local Institutional Development Support), along with USAID leadership, should meet with the DWAF authorities responsible for the transfer process and

for supervision of the Pietersburg Regional operations. Appropriate counterparts DPLG should be included. The objectives of the meeting should be to review the USAID Project goals, the resources provided by both USAID and DWAF, the commitment of the Eastern District Municipality, and to request system-wide DWAF support for the transfer process. Further incentives for system-wide DWAF support derive from their stated policies and the fact that the Project may serve as a model for transferring DWAF responsibility for retail water services to municipal government.

Recommendation 2: Complete the agreed action plans made at the Water Sector Workshop.

A strong basis for project progress has been created and almost all key project actors are prepared to move toward establishing a water service provider under the management of the Water Service Authority. Careful attention to follow-up will ensure that commitments made during the Water Sector Workshop are kept. The moment is right to fully engage the project sub-contractors in key technical activities. A “Drafting Team” including district and local municipality staff and the DWAF area manager is already working on a draft Water Services Development Plan. This same team will work on draft by-laws as well. The by-laws are an important first step toward establishing the District Council’s authority and it is our recommendation and that that the By-laws be given priority or at least that these two documents be worked on concurrently.

Recommendation 3: Continue annual project monitoring and review programs and workshops

The intricacies and demands of an institutional development project of this nature require a focused annual review of progress, strategy and forward planning. It is rare in USAID project history that continuity from pre-project, to project design, to project start-up, and subsequently to project monitoring can be provided. The project monitoring and review functions serve most of the functions of project evaluations but the methodology is to engage project participants in self-evaluation and assessment of lessons learned. Training is also provided as appropriate (as was the training in “dialogue” process this year. A year from now, a very new set of project actors will be in place if a Water Service Provider is established. This is probably the last workshop where the primary counterparts are politicians. The next set of counterparts will be professional managers and technicians. These will be people receiving skill transfer at technical and managerial levels. Issues such as team building, how to set up learning and mentoring agreements, and conflict management will likely emerge in the next project years.

Recommendation 4: Leverage resources to provide a broader basis of impact, development and training for Municipal Government counterparts and project beneficiaries.

It is clear that most local councilors are hungry for learning about the practical processes of democracy. Very few have received training in such things as strategic planning, management, teamwork, communications, problem solving, time management, leadership approaches, etc. Project resources will likely not be able to provide training for technical counterparts at WSA and WSP levels, and also meet the needs that newly formed local government structures have. Team building and communications between district and local municipalities was identified as a priority at the workshop.

The project scope is likely going to be widened to include policy advice for sanitation. A full sanitation component would include (at a minimum) resources for latrine construction and hygiene education and behavioral change (such as washing of hands related to food and excreta disposal). The impact of improved water supply will greatly be enhanced if this component is full addressed.

Resources for these activities may exist within the international donor community through the Ministry of Health and Department of Provincial and Local Government. The Project team along with USAID and DWAF should assist the District and Local Municipalities identify and leverage these funding sources for municipality capacity building.

APPENDICES

A. Workshop Participants

Eastern District Municipality

Caswell Maluleka ¹	Executive Mayor
Rodwell Mnisi ¹	Acting Municipal Manager (also a member of the Water Board)
Manager Nyalungu	Administration Manager
Alfred Shai	Councilor, member of the Mayoral Committee
Castro Mmalungane ¹	Councilor (also a councilor for Bushbuckridge Local Municipality)

Bushbuckridge Local Municipality

Benedict Mashego ¹	Councilor, Water Desk Officer (also a councilor for Eastern District Municipality)
Ndolovu Mandala	Councilor

Maruleng Local Municipality

Samson Mahalo	Councilor
Pauline Raganya	Councilor

Ehlanzeni District Municipality

Gert Deysel	Engineering Section
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Mbobmela Local Municipality

Fatima Mabiza	Councilor
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Bushbuckridge Water

Patience Nyakane	Chairman of the Board of Directors (also speaker of the council, Eastern District Municipality)
Skhumbuzo Gibson Nkuna	Chief Executive Officer
Zulu Seerane ¹	Manager (also a councilor for Bushbuckridge Local Municipality)

Department of Local Government

A Mathabela	Pietersburg Office
George Nxumalo	Thulamahashe District Office

Department of Water Affairs

Patrick Ntsimi ¹	Local Institutional Development Support, Pretoria
Norman Mukhawane	Planning Officer, Northern Province, Giyani District Office
Anthony Themba	Bushbuckridge Area Manager, Northern Province, Giyani District
Choli Mahelefa	Giyani Office

Retail Water Distribution Project

Robert Mbwana ¹	Chief of Party
Thabo Molewa ¹	Project Officer-Institutional Development
Catherine Malungane	Secretary/Receptionist

¹ Member of the Project Steering Committee (elected, appointed, and observer)

Retail Water Distribution Project Technical Assistance Team

Louis O'Brien	Chemonics International Inc. (Project Implementing Agent)
Chris Diomi	Chemonics International Inc
Solly Manyaka	Manyaka-Greiling-Meiring Ltd. (Sub-consultant)
Stewart Gibson	ValuAdd (Sub-consultant)
Peter Ramsden	Argil Ltd. (Sub-consultant)
Elizabeth Sitole	Institute for Public Private Partnership (Sub-consultant)

USAID

Sergio Guzman ¹	USAID/Pretoria
Jonathan Hodgkin	USAID/Environmental Health Project
Dan Edwards	USAID/Environmental Health Project

B. Current Local Government Structure and Decision-making

The demarcation process and subsequent elections have changed the political and administrative landscape in the Project area. The former Transitional Local Councils and Transitional Representative Councils have been replaced by permanent districts and wards.

Within the Project area, two District Municipalities were formed namely, Eastern District Municipality (Northern Province) and Ehlanzeni District Municipality (Mpumalanga Province). These Districts are subdivided into Local Municipalities. Eastern District Municipality includes Bushbuckridge Local Municipality (the former Bushbuckridge Transitional Local Councils merged into one structure) and Maruleng Local Municipality which includes Hoedspruit and lies to the north of Bushbuckridge Municipality. Eastern District Municipality also includes the whole of Kruger National Park. Ehlanzeni District Municipality includes Mbombela Local Municipality (which includes the former Hazyview Local Council and the Nsikazi North Transitional Representative Council) and three additional local municipalities. Local municipalities were further subdivided into wards.

Local government elections in December 2000 resulted in the seating of councilors at both the local municipal and district municipal levels. Roughly half of the councilors serving at the local municipal level were elected directly as ward representatives. The remainder were elected on a proportional basis. At the district level, roughly half of the councilors were elected on a proportional basis. The remaining councilors were selected from among the local municipal councilors and represent the interests of their local municipality at the district level.

Ultimate decision making authority rests with the council at both the District and Local municipality levels. However certain decision making powers are to be delegated by the full council to other levels. At the local municipal level operational decision-making is made by vote of the Local Municipality Executive Committee, a selected set of ten councilors. At the district level, operational decision-making is made by an executive mayor in consultation with an appointed Mayoral Committee of six. The rules and procedures for decision making have not yet been fully defined in either case. However, it is clear that the executive mayor of a district municipality wields significant decision-making authority. The mayor at the local municipality level does not hold a commensurate level of power.

C. Project Steering Committee

Members/Elected Representatives

Castro Mhlanga, Chairman

Manager Nyalungu

Milton Morema

W. Ndhambi

Benedict Mashego

Eastern District Municipality, Administration Manager

Bushbuckridge Local Municipality, Mayor

Bushbuckridge Local Municipality Council Administration

Bushbuckridge Local Municipality, Councilor and Water Desk Officer

Thoko Mdhluli

Bushbuckridge Local Municipality, Councilor

Francis Mohlala

Drakensburg Local Municipality, Councilor

Members/Appointed

Anthony Themba

DWAF, Bushbuckridge Area Manager, Northern Province, Giyani District

Rodwell Mnisi

Eastern District Council, Acting Municipal Manager

Rogers Baloyi

Bushbuckridge Local Municipality Acting Municipal Manager

Thoko Mashiane

Ehlanzeni District Municipality Municipal Manager

Secretariat

Robert Mbwana

Retail Water Distribution Project

Thabo Molewa

Retail Water Distribution Project

Technical Support/Observers

Patience Nyakane

Bushbuckridge Water Board, Chairman of the Board of Directors and

Patrick Ntsimi

DWAF, Local Institutional Development Support, Pretoria

M.J. Modiba

DWAF, District Manager, Northern Province, Giyani District Office

Sergio Guzman

USAID/Pretoria

D. People Interviewed

The following people, a cross-section of current Retail Water Distribution Project Staff, local councilors, and other stakeholders were interviewed prior to the workshop to inform the Workshop facilitators of events since the Project Hand-Over Workshop of October 2000 and outline the issues for discussion during this Project Review Workshop.

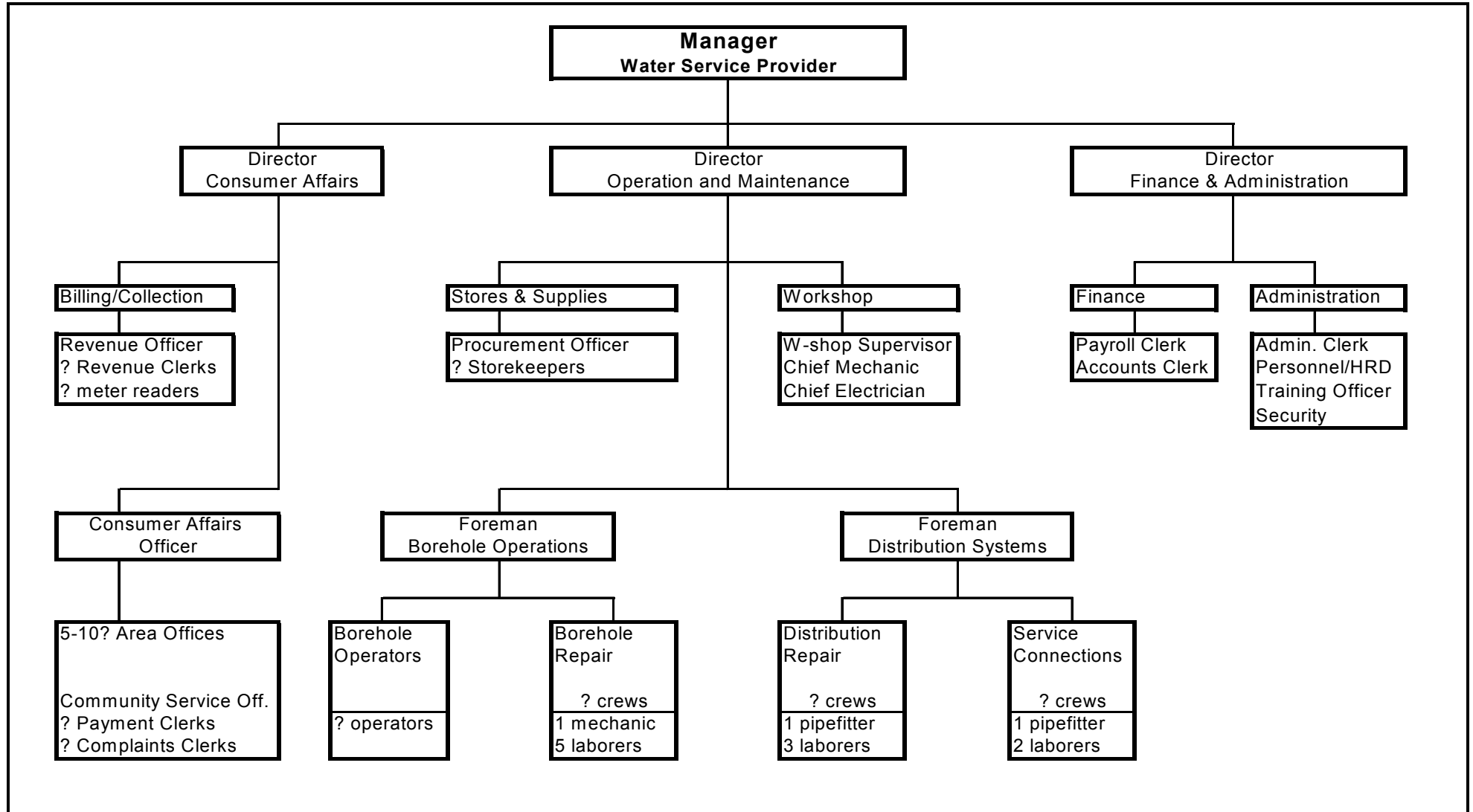
Stewart Gibson	ValuAdd (Sub-consultant)
Sergio Guzman	USAID/Pretoria
Solly Manyaka	Manyaka-Greiling-Meiring Ltd. (Sub-consultant)
Robert Mbwana	Retail Water Distribution Project
Caswell Maluleka	Executive Mayor, Eastern District Council
Benedict Mashego	Councilor, Water Desk Officer, Bushbuckridge Local Council
Rodwell Mnisi	Acting Municipal Manager, Eastern District Council
Thabo Molewa	Retail Water Distribution Project
Norman Mukhawane	Planning Officer, Northern Province, Giyani District Office, Department of Water Affairs
Skhumbuzo Gibson Nkuna	Chief Executive Officer Bushbuckridge Water
Patrick Ntsimi	Local Institutional Development Support, Department of Water Affairs
George Nxumalo	Northern Province Administration, Seconded to Eastern District Municipality
Patience Nyakane	Chairman of the Board of Directors, Bushbuckridge Water
Louis O'Brien	Chemonics International Inc. (Project Implementing Agent)
Peter Ramsden	Argil Ltd. (Sub-consultant)
Zulu Seerane	
Elizabeth Sitole	Institute for Public Private Partnership (Sub-consultant)
Anthony Themba	Bushbuckridge Area Manager, Northern Province, Giyani District, Department of Water Affairs

F. Interview Questions

Prior to the Review Workshop, the EHP team interviewed a cross-section of Retail Water Project Participants. These interviews were guided by a set of open ended questions designed to elicit thoughts about the project, its activities, and direction. The questions were:

1. Did you attend the recent Project workshop? If so, was the workshop valuable to you and why? What was not included that should have been? If not, what have you heard from your colleagues about the workshops value to them?
2. What is your vision for the end of the Project? Who do you see as Water Service Providers? What do hope the Project has helped you accomplish?
3. What is the Project doing now? Do you think these activities are on target? Are there other things the Project should be focusing on now? If so, what are these and why?
4. What do you see as your role, the role of your organization, in establishing retail water services? What assumptions, orientation, issues are important from your perspective.,
5. What else do you believe we ought to know that we haven't covered already? What are your thoughts about what we should be sure to address at during the Project Review Workshop?

F. Illustrative Water Service Provider Structure



G. Dialogue Definitions and Notes

DEFINING DIALOGUE

- Dialogue is a special way of communication
- The word comes from the Greek: *Dia* means “by means of, or through, or understanding;” *logue* means word. So dialogue is receiving the meaning through the word.
- Dialogue, however, is listening beyond the words.
- Dialogue means “understanding the meaning, heart and soul of the message of another person.”
- You must be able to truly see and respect the other person and what they bring to the dialogue in order to understand them.
- Through dialogue we come to know the other person and understand how to find ways of working together.

It is important to distinguish what we mean by dialogue as contrasted with a normal discussion, or even a negotiation:

Dialogue	Discussion/Debate
See the <i>whole</i> among the parts problems	Fragment or break themes into the <i>small parts</i> or
See <i>connections</i> among parts	See the <i>differences</i> among the parts
<i>Explore</i> assumptions	<i>Justify and defend</i> assumptions and positions
Learn through <i>inquiry</i> and <i>exploration</i>	Persuade, sell and <i>convince</i>
Create a <i>common meaning</i> among many people and allow individual realities to coexist	Agree on only <i>one meaning from one side or source</i>

- The primary question in dialogue is: are we here to develop meaning together, or are we here to accept the meaning of one or a few participants?

RULES FOR DIALOGUE

Purpose: develop norms for discussion

- In the coming months many of the people in this room are going to need to have a lot of dialogue and bi-lateral discussions. We want to offer you a model for dialogue and ask you to establish some rules for this process.

- Dialogue sessions are not the same as normal meetings with their rules of procedures but are special occasions for discussion and exploration. It is not necessary to have a chair person to recognize individuals when they speak. Anyone can speak in any order. At most a neutral facilitator is present. It is important to say to each other: “this is now a dialogue session, not a normal meeting, or a normal conversation.” At the end of a dialogue session, one can return to normal conversation.

When one is involved in a dialogue session, there are special rules because this is a special communication time. Each group needs to make its own rules or norms for dialogue.

Examples of dialogue norms set by other groups in other situations:

- Suspend Assumptions
- Listen and speak without judgement
- Respect individual differences
- Suspend roles and status
- Avoid cross-talk
- Maintain a spirit of inquiry
- Seek the next level of understanding
- Keep in mind the real interests of the people
- Simply explore and listen and suspend the need for specific outcomes
- No leader
- No agenda
- Allow different points of view to simply exist without resolution
- Suspend certainty and let ideas just emerge
- Speak for oneself and not for others
- Act as colleagues
- Embrace the painful and the present
- Speak when “moved”

The topic of your dialogue session is: “What is the real purpose we have here for developing retail water services; what do we really want and what is my role in that process?”

H. Examples of Major Key Tasks or Accomplishments for Planning Purposes

Task Area 1—Policy Planning and Transfer

- WSA decides on the form and structure of WSP (or WSPs)
- WSA beginning structure set up and initial positions provisionally filled
- A Water Service Manager to manage the Utility Operation of the WSP has been identified and hired and/or seconded.
- Informed liaison and communication is set up with the leadership of participating councils
- Transfer programs for staff have been outlined in a Memorandum of Understanding (MOU), accepted by DWAF, the WSA and the WSP
- Transfer of assets for infrastructure have defined and outlined in a MOU acceptable to all concerned parties
- An annual draft operational work plan has been designed for the WSP
- Understanding of roles and responsibilities for the WSP structure has been communicated and understood by the beginning staff of the WSP
- The WSA has drafted Water Service Development Plans conforming to the Water Services Act of 1997

Task Area 2—Management Systems

- A clear delegation of authority from the WSA to the WSP has been developed, approved and adopted
- The WSP has been delegated appropriate bylaws from the WSA to operate as a utility with full obligations for billing and collection, contracting and procurement of goods, services and works, and operational integrity as a legal entity.
- The WSP has a business plan and has adopted policies and procedures consistent with its legal charter
- WSPs have identified financial obligations and sources of income and appropriately addressed needs for subsidy consistent with national policies for water services provision.
- Each operational section of the WSP has developed an annual operational workplan in which to monitor tasks
- Senior staff of the WSP have a structure for monitoring task accomplishment and holding themselves accountable; work priorities are set; appropriate delegation from the WSP manager to staff is in place

Task Area 3—Customer Outreach

- Communities receiving water services have entered into dialogue through outreach activities and a measurable, positive attitude towards the services they receive have been achieved—willingness to pay for services has been achieved within reasonable range.
- The WSP has a clear strategy for customer outreach and understand appropriate methodologies for continual dialogue and communication with customers.
- Essential messages for responsibilities at community level are recognized readily by customers
- The WSP has a structure of customer-friendly access in which payments are easy to make, requests for new service connections are easily attended to, and complaints can be lodged.
- Reaction time to customer complaints is monitored and a minimum reaction time has been set

Task Area 4—Customer Service and Billing

- A tariff structure has been designed that is realistic and conforms to the business plan for meeting operational costs
- Tariff structure is approved by relevant authorities
- An incremental strategy billing has been designed, “opportunity for payment” customers identified, and collection has started
- Water service accounts for the entire service area have been designated
- Collected funds are deposited in appropriate accounts
- Billing and collection systems have been set up in the WSP and a cadre of staff trained in the appropriate tasks corresponding to the system

Task Area 5—Operation and Maintenance

- Complete system inventory has been completed and the WSP has a record of assets by location
- Decisions relating to which infrastructure belongs to bulk and to retail have been defined
- Current operating expenses for maintaining, installing, metering and operating the reticulation system have been developed
- An operational plan for O&M has been developed and rectification of connections have been identified and a program planned for correction
- Arrangements for small scheme WSP have been made and appropriate local maintenance procedures have been initiated

Task Area 6—Institutional Learning, Training and Organizational Development

- Training needs assessment for staff at all levels have been completed and a training plan designed
- An appropriate training approach has been designed that combines the full range of available learning technology: on-the-job mentoring, technical skills training, classroom, study tour and off site.
- Performance targets for each operational level have been designed and staff understand what they need to do to improve performance
- The organizational culture has developed a customer service, customer-first attitude; staff at all levels understand how to treat customers and have pride in working for the WSP
- Annual organizational development retreats for team building and staff development have taken place
- The WSP organization has set up a way for senior staff to operate as a team, and team-based management has been installed at all operational levels
- Appropriate communication skills have been learned at all levels of the organization

I. Water Sector Workshop Action Plan

The following seven action items were agreed to by participants to the Water Sector Workshop held July 20/21 July 2001

	Key Activities	Responsibility	Resources	Time Frames
1	Establishment of Bylaws	WSA (Exec Mayor)	DWAF Draft Bylaws RWDP LG&H SALGA (N.Province & Mpumalanga)	End Oct 2001
2	Development of Water Services Development Plan	WSA (Exec Mayor)	Drafting Team RWDP	End March 2002
3	Set tariffs and start charging larger water users	WSA (Exec Mayor)	DWAF RWDP LG&H	End Nov 2001
4	WSA establish billing systems, collection systems, policies and guidelines	WSA (Exec Mayor)	LG&H National Treasury RWDP DWAF (Possible Twinning)	Interim System by Nov 2001 Final by end June 2002
5	Bilateral discussions between WSA and Water Board for bulk and WSA and DWAF for retail	WSA (Exec Mayor)	WSA Water Board DWAF RWDP	Mid Sept 2001
6	Consideration of service provider options	WSA (Exec Mayor)	DWAF RWDP SALGA (N.Province & Mpumalanga) Municipal Infrastructure Investment Unit	Workshop Mid Sept 2001 Preferred Option decision by end September
7	Establish transfer coordinating committee	WSA (Exec Mayor) & DWAF	DPLG SALGA DWAF RWDP	Beginning August 2001

J. Consultant's Scope of Work

TECHNICAL ASSISTANCE IN SUPPORT OF: ANNUAL PROJECT MONITORING/REVIEW WORKSHOPS

Background

The Government of South Africa (GoSA) through the Department of Water Affairs and Forestry (DWAF) and the Department of Constitutional Development (DCD) have been working toward a transfer of water supply services to local authorities since the change of Government in 1994. This policy has now been placed into law as part of the Water Services Act of 1997. As a result of this, the Bushbuckridge Water Board has been established and is becoming prepared to operate and manage the water treatment plants and transmission facilities to provide bulk water supply to the Bushbuckridge, Hazyview and North Nsikazi areas. The long-range plan is for the water service authorities to be set up (WSA). Water is purchased from the Water Board through service agreements to WSA. Water Service Providers will be set up by WSAs and to retail water to its local customers at a price that reflects the true cost of providing service. Efforts have been underway for some years to bring this about and USAID has been supporting these activities.

In September 2000, a four-year effort to set up local water service providers and strengthen WSAs in the project area began under a bi-literal agreement between USAID and DWAF. A contract was awarded for technical assistance in September 2000 and mobilization of the contractor followed in October. The project strategy required a project start-up process that includes a workshop and internal project staff orientation and team formation (completed by an EHP team in early October 2000). In addition, an annual project review and monitoring activity including a stakeholder workshop is intended for each year of the project. This process requires an independent consultant team to interview all relevant actors, review reports and documents, and structure a workshop designed to review the lessons learned in the past year, correct approaches and strategies, form the basis for forward planning for the next year.

The Environmental Health Project has been providing technical assistance to USAID/South Africa since April 1997³ within the framework of a bi-lateral agreement with the Department of Water Affairs to support institutional development for water supply in the area (A Presidential Lead Project to Establish a Water Board and local government-managed water distribution in the Bushbuckridge Service Area). In October-November 1997, an EHP team conducted a broad-based study to pull together known information related to water supply for the project area and to develop an options paper for retail water supply⁴. As a follow-on to that activity, a smaller EHP team developed a project paper in March 1998 that described an institution-building approach and strategy to establish Water Service Providers (WSPs)⁵. The project concept was modified by EHP in October 1998 to narrow the focus the activity to establish Water Service Providers. Eventually, however, the NBWF thought that technical assistance and training to only two WSPs was too limited and requested that the RFP provide for technical assistance to a

³ Edwards, Dan "EHP Trip Report Bushbuckridge", 7 April 1997.

⁴ *Issues and Options for Transfer of Water Distribution Responsibility to Local Government Structures in the Bushbuckridge, Hazyview, and Nsikazi North Areas of South Africa*, EHP Activity Report No. 30, November 1977.

⁵ *A Water Distribution Capacity Building Project for the Bushbuckridge Water Board Service Area, Project Concept and Design*, March 20, 1998, Hodgkin and Edwards, EHP Activity Report, 370cc.

maximum of five WSPs. The contractor providing this assistance is currently developing a one-year work plan for immediate Project start-up⁶.

USAID's bi-lateral agreement supports development of institutional capacity for water supply in the Bushbuckridge and Nsikasi North area of South Africa. The bi-lateral agreement has three components, each representing activity areas: a) to support the establishment of a water board (for bulk supply); b) to support operations and maintenance (for both bulk and retail); and c) to support capacity building for water distribution (retail) managed by local government authority. Rand Water (the largest bulk supplier in South Africa), through its Community Based projects Department has been the implementing agent for all three activities to the present time. The Current bi-lateral agreement has until June 30, 2004

The Nsikasi Bush Water Forum (NBWF) was established in August 1998 as a planning and coordinating body for water supply in the project area. It is composed of local government representatives, Water Board members, DWAF and the Department of Constitutional Development (DCD) through District Council representation. USAID participates in this forum. Its project activities are coordinated through this forum. A subcommittee of the NBWF acts as technical supervisor to the project for retail water supply (component C described above, currently termed the Water Distribution Capacity Building Project –WDCBP-, previously termed the IDP). The USAID Project Officer supervises the bi-lateral agreement that funds this activity.

Statement of Work

This statement of work provide a description of required technical assistance for facilitation of an annual monitoring/review workshop to take place in August 2001.

Purpose

The purpose is to assist the USAID Mission and the Project Steering Committee and key project participants in reviewing the results of the approximately 10 months of project activity from October through July 2001. The primary outcome is to determine project successes and risks with project participants (the TA team and key local officials) and to advise on modifications or enhancement to project strategy, and specifically work plan development for the second year of the project. The technical assistance team that began work in September of 2000 under contract will provide logistical and programmatic assistance.

Tasks:

1. Review the status of accomplishments within the agreement between USAID and the Contractor,
2. Review the reports on activities of the project technical assistance team.
3. Attend an initial series of meetings and working sessions in Pretoria to review the status of the Project and information.
4. Visit the project area to provide technical assistance, and obtain information from field staff on factors considered successful and factors hindering project success. Conduct interviews with project participants.
5. Design and conduct a two to three-day annual monitoring workshop.
6. Return to Pretoria and complete a draft report and debrief with USAID and DWAF.

⁶ *A Water Distribution Capacity Building Project for the Bushbuckridge Water Board Service Area, Status Report and Startup Workplan*, October 23, 1998, Hodgkin and Edwards, EHP Activity Report, 486cc.

Final Products

The consultant team will provide USAID with a summary report that describes the team's findings and the workshop results.